

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 192 – SB 1354

January 14, 2016

SUMMARY OF ORIGINAL BILL: Specifies that the local development authority to purchase debt instruments is in addition and supplemental to the powers conferred by law. Adds language clarifying that contracts for specified professional services be based on recognized competence and integrity, not competitively awarded. Authorizes electronic accounting of workhouse supplies by the county superintendent. Adds clarifying language that estate and gift tax on certain bonds, under the Tennessee State School Bond Authority Act, are applicable until January 1, 2012.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (010036): Deletes all language after the enacting clause. Prohibits state officers, employees and users of property which was financed with bonds or notes, including school credit bonds, from authorizing a modification that would affect the tax-exempt status of a bond or note unless the modification receives prior approval from the Office of State and Local Finance in the Office of the Comptroller and the governing authority. All modifications made without such approval are null and void.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumption for the bill as amended:

- Based on information from the Comptroller of the Treasury, any additional approvals for note or bond modifications will be made by state and local government officials without a significant fiscal impact to state or local government agencies.
- Pursuant to Tenn. Code Ann. § 67-2-102, the Hall Income Tax is a six percent tax levied on incomes derived from interest on bonds. The Department of Revenue has confirmed the bill will not impact Hall Income Tax collections.

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CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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